

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 458 - HB 739

February 11, 2013

SUMMARY OF BILL: Authorizes any local government entity to purchase goods, equipment, and services under the same provisions of contracts or price agreements used by any other local government entity within the state. Deletes Tenn. Code Ann. § 12-3-1009 which authorizes counties to utilize pricing discounts from the National Association of Counties (NACo) Purchasing Alliance. Authorizes any local government entity to participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any goods, supplies, services, or equipment with one or more other governmental entities outside the state under certain circumstances. Revises deadlines for state and local government bid documents.

ESTIMATED FISCAL IMPACT:

Decrease Local Expenditures – Exceeds \$5,000

Assumptions:

- According to the Department of General Services, the bill will not fiscally impact the Department.
- Pursuant to Tenn. Code Ann. § 12-3-1004(c)(1) and (2), local government entities are authorized to purchase goods and equipment under the same terms and prices initiated by any other local government entity within the state when the individual unit price does not exceed \$10,000.
- Allowing local governments to utilize contract terms and pricing agreements currently in place regardless of price will decrease the current amount time and money expended by local governments during the bidding and contracting process.
- Due to a number of unknown variables, including but not limited to, how many local government entities would utilize the contracts and pricing systems currently in place with other local government entities, the total cost savings on certain products and services, and how many cooperative purchasing agreements will be formed, a precise fiscal impact is difficult to determine. However, any such fiscal impact resulting from this bill will be a recurring decrease in local government expenditures, which is reasonably estimated to exceed \$5,000 per year statewide.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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